



September 21, 2010

Secretary Nikki R. Jackson
Personnel Cabinet
501 High Street
Frankfort, KY 40601

RE: Supplemental Plan for Kentucky Higher Education Student Loan Corporation

Dear Secretary Jackson:

Please find enclosed per 101 KAR 5:015E Kentucky Higher Education Student Loan Corporation's (KHESLC) supplemental plan for fiscal year 2010-2011. You previously approved the KHESLC furlough plan for the September 3, 2010 shut-down date, and the KHESLC respectfully requests that you review and approve the enclosed supplemental plan which addresses the remaining furlough dates for the fiscal year 2011. Enclosed within these documents are the following:

- The designation of any additional individuals responsible for the oversight and administration of these furloughs with enclosed designation forms that were not previously approved in the September 3, 2010 plan.
- The proposed manner of how furloughs will be applied to all employees, classified and unclassified
- Any specific flexibility considerations or requests with appropriate justification
- Certifications that furloughs will be applied in compliance with the requirements established by 101 KAR 5:015E
- A copy of the sample notice that each employee will receive at least seven (7) days prior to any period of furlough

If you have any questions regarding this material, I am the lead contact for KHESLC's proposed furlough plan at 502-329-7155.

Sincerely,

Linda Sewell
Vice President, Human Resources

Enclosures

FURLOUGH PLAN

KENTUCKY HIGHER EDUCATION STUDENT LOAN CORPORATION

I. DESIGNATION OF APPOINTING AUTHORITIES

Pursuant to the authority provided in 101 KAR 5:015E and 2010 Extra. Sess. Ky. Acts ch. 1, Part IV, 11, the Kentucky Higher Education Student Loan Corporation (KHESLC) has deemed it appropriate to designate additional individuals to be responsible for the oversight and implementation of the proposed furlough plan. The individuals will be responsible for ensuring that notices will be provided to employees, and may accept and review any requests for voluntary furlough or any waivers of formal notices. No other individuals other than those designated in writing have the authority to take such actions related to furloughs. Additionally, these designated individuals will ensure that furlough time is appropriately monitored and taken by KHESLC employees.

<u>Name of designated employee(s)</u>	<u>Official Title</u>	<u>Specific Org Units For Which Have Authority</u>
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No additional Appointing Authorities requested than those already approved in original plan.

II. APPLICATION OF FURLOUGH DATES

Remaining Mandated Shut-down Days

November 12, 2010; May 27, 2011

KHESLC complies with the mandatory shut-down days. On these dates, all offices will be closed and all employees, including any contract workers, will not report to work. Written notice has already been provided to each employee of these mandated dates, as previously certified to the Personnel Cabinet.

1. Exceptions:

- a. One of the large outreach events, the Family Resource/Youth Services Center Coalition Fall Institute, which KHESLC sponsors, is scheduled for November 10-12. KHESLC outreach staff are scheduled for presentations at the event. Outreach staff may need to take the November furlough day on another day during the pay period. This exception will not result in a loss of utility savings for KHESLC as the event is off-site.
- b. KHESLC's data processing and systems are operational 24/7 and require Information Technology maintenance and support staff. This involves one person, and this staff person will take the furlough day the next scheduled work day.

KHESLC acknowledges the possibility that an emergency situation may result in an employee reporting to work during a scheduled furlough date. If an emergency situation were to occur, the furlough Appointing Authority will be responsible for verifying that such an emergency or exigent circumstance existed on the particular furlough days impacted.

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Three (3) Non-Designated Months
First Pay Periods in October 2010, March 2011, and April 2011

During the 3 non-designated months, KHESLC plan includes the furlough of all KHESLC employees during the first pay period of the required months.

Exception for all Non-Designated Months:

KHESLC includes one area, the KHESLC call centers to be shutdown during the non-designated furlough months. It is extremely difficult to run an effective call center with large numbers of staff absent. Our call center must meet federal due diligence requirements to maintain the federal reinsurance on our loan assets. KHESLC operates an automated dialing system to assist in meeting these federal requirements. Staffing levels must be maintained to program, monitor and operate the dialer system. In addition, staff must be available answer incoming calls referred from or as a result of the dialer activities. Furloughing all employees on the same day is the efficient way for KHESLC to operate and ensure that KHESLC does not compromise the service provided to our borrowers and business partners as well as diligence requirements that would result from inadequately staffed phone lines. The days chosen to shut down the call centers were also based on historical call volume. Closing on lighter volume days will create less disruption for those we serve, will produce a smaller call backlog and assist in a quicker recovery on our next day of normal operations.

1. Requested shut-down dates for the non-designated months of October, March and April:
 - a. KHESLC would like to observe a furlough day on October 11, 2010, which is the Federal Holiday of Columbus Day. KHESLC call centers will close, and an alternate furlough day will be chosen by remaining employees.
 - b. For the furlough day in March, KHESLC would close March 7, 2011. KHESLC call centers will close, and an alternate furlough day will be chosen by remaining employees.
 - c. For the furlough day in the month of April, KHESLC would like to close April 8, 2011. KHESLC call centers will close, and an alternate furlough day will be chosen by remaining employees.

As a note: KHESLC will communicate the closings to our borrowers via the automated phone system.

KHESLC acknowledges the possibility that an emergency situation may result in an employee reporting to work during a scheduled furlough date. If an emergency situation were to occur, the furlough Appointing Authority will be responsible for verifying that such an emergency or exigent circumstance existed on the particular furlough days impacted.

III. CONTRACT WORKERS

KHESLC' contract employees are subject to a reduction of hours associated with the furlough plan and shall have their hours reduced in the same manner as KHESLC's employees during the common days and non-designated months as described within this plan.

As with state employees, KHESLC acknowledges the possibility that an emergency situation may result in a contractor reporting to work during a scheduled furlough date. If an emergency situation were to occur, the furlough Appointing Authority will be responsible for verifying that such an emergency or exigent circumstance existed on the particular furlough days impacted.

IV. REQUIRED CERTIFICATIONS

Please certify, by initial of Cabinet or Independent Agency head, that the statements are true:

We will not involuntarily furlough any employee more than twenty-four (24) work hours in a six (6) month calendar period, as provided in this subsection:

- Employees regularly assigned to a 40-hour work schedule shall be involuntarily furloughed no more than three (3) work days or twenty-four (24) work hours;
- Employees regularly assigned to a 37.5-hour work schedule shall be involuntarily furloughed no more than three (3) work days or twenty-two and one-half (22.5) work hours, which is the equivalent reduction of hours and corresponding pay; and
- All remaining employees on different work schedules shall be involuntarily furloughed in a manner to achieve an equivalent reduction of hours and corresponding pay, which shall be set forth in the furlough plan provided by the Cabinet Secretary or Independent Agency head and approved by the Secretary of Personnel.


(INITIALS)

We will not involuntarily furlough any employee more than 20 percent of an employee's scheduled work hours in any one work week.


(INITIALS)

Employees will not be permitted to utilize accrued leave balances in lieu of a temporary reduction of hours without pay.


(INITIALS)

During the period of furlough, no contractor will receive either additional duties typically performed by a furloughed employee or work additional hours due to the furlough of a state employee.


(INITIALS)